MILLIMAN BRIEF

Review of Contract Year 2021 Medicare Advantage supplemental healthcare benefit offerings

Commissioned by Better Medicare Alliance, Inc.

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In 2018 and 2019, the Centers for Medicare & Medicaid Services (CMS) expanded the types and flexibility of supplemental benefits that Medicare Advantage organizations (MAOs) can offer to their enrollees.

Medicare Advantage (MA) plans, private plans offering Medicare benefits, must cover all benefits covered by original Medicare at a level of cost sharing that is, in aggregate, no greater than original Medicare. MA plans may offer additional (supplemental) benefits such as dental, vision, and fitness. Under CMS guidelines issued in spring 2018, plans now have more flexibility with regard to the benefits they are permitted to offer. Milliman analyzed CMS reports to identify MA plans that are utilizing this new benefit flexibility in 2021. This flexibility expands the types of supplemental benefits that can be provided to all enrollees ("'primarily health related' for supplemental benefits") and allows plans to offer different cost-sharing or additional benefits to specific subsets of their enrollees ("uniformity requirement"). In spring 2019, CMS further expanded the flexibility of these benefits by allowing MA plans to offer special supplemental benefits for the chronically ill (SSBCI). When choosing to enroll in a Medicare Advantage plan, Medicare beneficiaries may consider these supplemental benefits in the context of all of their healthcare needs as well as any cost sharing and member premium.

Reinterpretation of "primarily health related" for supplemental benefits

CMS used the 2019 Announcement[1] to expand the scope of "primarily health related" supplemental benefits to "permit MA plans to offer additional benefits as 'supplemental benefits' so long as they are healthcare benefits." Previously, the standard did not allow a benefit "if the primary purpose [was] daily maintenance."

Further guidance was issued on this reinterpretation on April 27, 2018,[2] and included, as examples, the following nine services: adult day care services (adult day health services), home-based palliative care, in-home support services, support for caregivers of enrollees, medically-approved non-opioid pain management (therapeutic massage), stand-alone memory fitness benefit, home & bathroom safety devices & modifications, transportation, and over-the-counter (OTC) benefits.

Prior to this, bathroom safety devices, transportation, and OTC benefits were allowable benefits for MA plans, but their scope has expanded under this reinterpretation. The bathroom safety devices & modifications category was amended to include home modifications (e.g., stair rails and treads), transportation was amended to include a health aide to assist the enrollee to and from the destination, and OTC benefits now include pill cutters, crushers, and bottle openers. A dual eligible special needs plan (D-SNP) could offer non-skilled in-home support services, supports for caregivers of enrollees, home modifications, and adult day care services prior to contract year (CY) 2019. Under the expansion, any MA plan can now offer these benefits.

Figure 1 shows the number of plans offering one of the new supplemental benefits identified by CMS in CY 2020 and CY 2021.

FIGURE 1: SUMMARY OF EXPANDED SUPPLEMENTAL BENEFITS*

BENEFIT	CY 2019 PLANS	CY 2020 PLANS	CY 2021 PLANS
Adult Day Health Services	0	63	88
Home-Based Palliative Care	29	58	128
In-Home Support Services	51	148	296
Support for Caregivers of Enrollees	N/A**	77	87
Therapeutic Massage	22	180	152
Total	102	351	575
Plans offering more than one benefit	0	96	175

* Excludes EGWPs, Cost plans, MSA plans, MMPs, and dual-eligible special needs plans (D-SNPs); D-SNPs excluded as these benefits were previously allowable benefits for D-SNP beneficiaries; 4,212 plans in CY 2021 are subject to this reinterpretation.

** Support for caregivers of enrollees classified differently in CY 2019.

[1] CMS (April 2, 2018). Announcement of Calendar Year (CY) Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter. Retrieved November 13, 2020, from https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2019.pdf.
[2] CMS (April 27, 2018). HPMS Memo. Primarily Health Related 4-27-18. Retrieved November 13, 2020, from https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/HPMS-Memos-Archive-Weekly-Items/SysHPMS-Memo-2018-Week4-Apr-23-27.html.

With the exception of therapeutic massage, all of the identified benefits have increased in plan prevalence each year. As bathroom safety devices, transportation, and OTC benefits were previously allowable supplemental benefits, it is unclear from the publicly available files we reviewed[3,4] whether MA plans are now providing these benefits because of the definition expansion, or because the plans are just adding supplemental benefits. In addition, some of the benefits now classified as support for caregivers could have been classified differently and offered as a benefit to enrollees in prior years. As such, we have not included these benefits in Figure 1.

Uniformity requirement reinterpretation and SSBCI

Historically, MA plans have been required to offer identical benefits (i.e., cost sharing and services) to all enrollees to ensure that all beneficiaries have access to the same care.

CMS provided guidance on April 27, 2018[5] that allowed MA plans to offer benefits targeting specific disease states as long as "similarly situated individuals are treated uniformly," a reinterpretation of the original uniformity requirement. This rule allows MA organizations to reduce cost sharing for certain covered benefits (e.g., offering diabetic enrollees a lower deductible) or to tailor supplemental benefits (e.g., "nonemergency transportation to primary care visits for enrollees with CHF") for enrollees who meet specific medical criteria as long as all enrollees who meet the identified criteria have the same access to these targeted benefits.

CMS provided guidance on April 24, 2019[6] that allows plans to offer benefits that are both not primarily health related and offered non-uniformly to eligible chronically ill enrollees. The main requirement for these benefits is that the "item or service has a *reasonable* expectation of improving or maintaining the health of overall function of the chronically ill enrollee."

Information about which plans chose to offer benefits under either of these provisions and what those benefits were is not publicly available at this time. We expect that information to be available for 2021 when the "PBP Benefits - 2021 - Quarter 2" file is published by CMS.

Sources and assumptions

The analysis provided in this issue brief is based on the CMS files named "PBP Benefits - 2020 - Quarter 2" and "PBP Benefits - 2021 - Quarter 1." We summarized plans offering new benefits as specified in the CMS file "CY2020_Bid_Manual_Combined.pdf." A different set of assumptions may result in different results.

Caveats and disclosures

The analysis provided in this brief is based on benefit information made available by CMS. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

The CY 2019 numbers shown in this report are distinct from the totals noted in CMS's fact sheet,[7] as CMS included plans offering new benefits under the reinterpretation of the uniformity requirement in its report. Plan details regarding the uniformity requirement are not publicly available at this time.

This brief was commissioned by the Better Medicare Alliance, Inc.

Catherine Murphy-Barron and Eric Buzby are members of the American Academy of Actuaries and meet its qualification standards to provide this analysis.

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[3] CMS. PBP Benefits - 2020 - Quarter 2. Retrieved November 13, 2020, from https://www.cms.gov/research-statistics-data-and-systemsstatistics-trends-and-reportsmcradvpartdenroldatabenefits-data/2020-pbp-benefits-q2.

[4] CMS. PBP Benefits - 2021 - Quarter 1. Retrieved November 13, 2020, from https://www.cms.gov/httpswwwcmsgovresearch-statistics-data-and-systemsstatistics-trends-and/2021-pbp-benefits-upd-10-14-2020.

[5] CMS (April 27, 2018). HPMS Memo. Uniformity Requirements 4-27-18. Retrieved November 13, 2020, from https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/HPMS-Memos-Archive-Weekly-Items/SysHPMS-Memo-2018-Week4-Apr-23-27.html.

[6] CMS (April 24, 2019). Implementing Supplemental Benefits for Chronically Ill Enrollees. Retrieved November 13, 2020, from https://www.cms.gov/Medicare/Health-Plans/HealthPlansGenInfo/Downloads/Supplemental_Benefits_Chronically_Ill_HPMS_042419.pdf.

[7] CMS (September 28, 2018). Fact Sheet: 2019 Medicare Advantage and Part D Prescription Drug Program Landscape. Retrieved November 13, 2020, from https://www.cms.gov/newsroom/fact-sheets/2019-medicare-advantage-and-part-d-prescription-drug-program-landscape.